

110TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to simplify, modernize, and improve public notice of and access to tax lien information by providing for a national, Internet accessible, filing system for Federal tax liens, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. LEVIN (for himself and Mr. COLEMAN) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to simplify, modernize, and improve public notice of and access to tax lien information by providing for a national, Internet accessible, filing system for Federal tax liens, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Tax Lien Simplification Act”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
2 to, or repeal of, a section or other provision, the reference
3 shall be considered to be made to a section or other provi-
4 sion of the Internal Revenue Code of 1986.

5 **SEC. 2. FINDINGS AND PURPOSE.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) The present decentralized system for filing
9 Federal tax liens in local property offices, which was
10 established before the advent of modern computers,
11 the Internet, and e-government programs, is ineffi-
12 cient, burdensome, and expensive.

13 (2) Current technology permits the creation of
14 a centralized Federal tax lien filing system which
15 can provide for enhanced public notice of and access
16 to accurate tax lien information in a manner that is
17 more efficient, more timely, and less burdensome
18 than the existing tax lien filing system; which would
19 expedite the release of liens; and which would be less
20 expensive for both taxpayers and users.

21 (b) PURPOSE.—The purpose of this Act is to simplify
22 and modernize the process for filing notices of Federal tax
23 liens, to improve public access to tax lien information, and
24 to save taxpayer dollars by establishing a nationwide,
25 Internet accessible, and fully searchable filing system for

1 Federal tax liens which would replace the current system
2 of local tax lien filings.

3 **SEC. 3. NATIONAL TAX LIEN FILING SYSTEM.**

4 (a) FILING OF NOTICE OF LIEN.—Subsection (f) of
5 section 6323 (relating to validity and priority against cer-
6 tain persons) is amended to read as follows:

7 “(f) FILING OF NOTICE; FORM.—

8 “(1) FILING OF NOTICE.—The notice referred
9 to in subsection (a) shall be filed in the national
10 Federal tax lien registry established under sub-
11 section (k). The filing of a notice of lien, or a certifi-
12 cate of release, discharge, subordination, or non-
13 attachment of lien, in the national Federal tax lien
14 registry shall be effective for purposes of deter-
15 mining lien priority regardless of the nature or loca-
16 tion of the property interest to which the lien at-
17 taches.

18 “(2) FORM.—The form and content of the no-
19 tice referred to in subsection (a) shall be prescribed
20 by the Secretary. Such notice shall be valid notwith-
21 standing any other provision of law regarding the
22 form or content of a notice of lien.

23 “(3) OTHER NATIONAL FILING SYSTEMS.—The
24 filing of a notice of lien shall be governed by this
25 title and shall not be subject to any other Federal

1 law establishing a place or places for the filing of
2 liens or encumbrances under a national filing sys-
3 tem.”.

4 (b) REFILEING OF NOTICE.—Paragraph (2) of section
5 6323(g) (relating to refiling of notice) is amended to read
6 as follows:

7 “(2) REFILEING.—A notice of lien may be refiled
8 in the national Federal tax lien registry established
9 under subsection (k).”.

10 (c) RELEASE OF TAX LIENS OR DISCHARGE OF
11 PROPERTY.—

12 (1) IN GENERAL.—Section 6325(a) (relating to
13 release of lien) is amended by inserting “, and shall
14 cause the certificate of release to be filed in the na-
15 tional Federal tax lien registry established under
16 section 6323(k),” after “internal revenue tax”.

17 (2) RELEASE OF TAX LIENS EXPEDITED FROM
18 30 TO 10 DAYS.—Section 6325(a) (relating to release
19 of lien) is amended by striking “not later than 30
20 days” and inserting “not later than 10 days”.

21 (3) DISCHARGE OF PROPERTY FROM LIEN.—
22 Section 6325(b) (relating to discharge of property)
23 is amended—

24 (A) by inserting “, and shall cause the cer-
25 tificate of discharge to be filed in the national

1 Federal tax lien registry established under sec-
2 tion 6323(k),” after “under this chapter” in
3 paragraph (1),

4 (B) by inserting “, and shall cause the cer-
5 tificate of discharge to be filed in such national
6 Federal tax lien registry,” after “property sub-
7 ject to the lien” in paragraph (2),

8 (C) by inserting “, and shall cause the cer-
9 tificate of discharge to be filed in such national
10 Federal tax lien registry,” after “property sub-
11 ject to the lien” in paragraph (3), and

12 (D) by inserting “, and shall cause the cer-
13 tificate of discharge of property to be filed in
14 such national Federal tax lien registry,” after
15 “certificate of discharge of such property” in
16 paragraph (4).

17 (4) DISCHARGE OF PROPERTY FROM ESTATE
18 OR GIFT TAX LIEN.—Section 6325(c) (relating to es-
19 tate or gift tax) is amended by inserting “, and shall
20 cause the certificate of discharge to be filed in the
21 national Federal tax lien registry established under
22 section 6323(k),” after “imposed by section 6324”.

23 (5) SUBORDINATION OF LIEN.—Section
24 6325(d) (relating to subordination of lien) is amend-
25 ed by inserting “, and shall cause the certificate of

1 subordination to be filed in the national Federal tax
2 lien registry established under section 6323(k),”
3 after “subject to such lien”.

4 (6) NONATTACHMENT OF LIEN.—Section
5 6325(e) (relating to nonattachment of lien) is
6 amended by inserting “, and shall cause the certifi-
7 cate of nonattachment to be filed in the national
8 Federal tax lien registry established under section
9 6323(k),” after “property of such person”.

10 (7) EFFECT OF CERTIFICATE.—Paragraphs (1)
11 and (2)(B) of section 6325(f) (relating to effect of
12 certificate) are each amended by striking “in the
13 same office as the notice of lien to which it relates
14 is filed (if such notice of lien has been filed)” and
15 inserting “in the national Federal tax lien registry
16 established under section 6323(k)”.

17 (8) RELEASE FOLLOWING ADMINISTRATIVE AP-
18 PEAL.—Section 6326(b) (relating to certificate of re-
19 lease) is amended—

20 (A) by striking “and shall include” and in-
21 sert “, shall include”, and

22 (B) by inserting “, and shall cause the cer-
23 tificate of release to be filed in the national
24 Federal tax lien registry established under sec-
25 tion 6323(k),” after “erroneous”.

1 (9) CONFORMING AMENDMENTS.—Section 6325
2 is amended by striking subsection (g) and by redese-
3 ignating subsection (h) as subsection (g).

4 (d) NATIONAL FEDERAL TAX LIEN REGISTRY.—

5 (1) IN GENERAL.—Section 6323 is amended by
6 adding at the end the following new subsection:

7 “(k) NATIONAL REGISTRY.—The national Federal
8 tax lien registry referred to in subsection (f)(1) shall be
9 established and maintained by the Secretary and shall be
10 accessible to and searchable by the public through the
11 Internet at no cost to access or search. The registry shall
12 identify the taxpayer to whom the Federal tax lien applies
13 and reflect the date and time the notice of lien was filed,
14 and shall be made searchable by, at a minimum, taxpayer
15 name, the State of the taxpayer’s address as shown on
16 the notice of lien, the type of tax, and the tax period, and,
17 when the Secretary determines it is feasible, by property.
18 The registry shall also provide for the filing of certificates
19 of release, discharge, subordination, and nonattachment of
20 Federal tax liens, as authorized in sections 6325 and
21 6326, and may provide for publishing such other docu-
22 ments or information with respect to Federal tax liens as
23 the Secretary may by regulation provide.”.

24 (2) ADMINISTRATIVE ACTION.—The Secretary
25 of the Treasury shall issue regulations or other guid-

1 ance providing for the maintenance and use of the
2 national Federal tax lien registry established under
3 section 6323(k) of the Internal Revenue Code of
4 1986. The Secretary of the Treasury shall take ap-
5 propriate steps to secure and prevent tampering with
6 the data recorded therein. Prior to implementation
7 of such registry, the Secretary of the Treasury shall
8 review the information currently provided in public
9 lien filings and determine whether any such informa-
10 tion should be excluded or protected from public
11 viewing in such registry.

12 (e) **TRANSITION RULES.**—The Secretary of the
13 Treasury may by regulation prescribe for the continued
14 filing of notices of Federal tax lien in the offices of the
15 States, counties and other governmental subdivisions after
16 December 31, 2008, for an appropriate period to permit
17 an orderly transition to the national Federal tax lien reg-
18 istry established under section 6323(k) of the Internal
19 Revenue Code of 1986.

20 (f) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to notices of lien filed after Decem-
22 ber 31, 2008. The national Federal tax lien registry (es-
23 tablished under section 6323(k) of the Internal Revenue
24 Code of 1986) shall be made operational as of January

1 1, 2009, whether or not the Secretary of the Treasury has
2 promulgated final regulations establishing such registry.